

**Successor Coeur d'Alene Custodial Trust**

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**RECEIVED**

October 16, 2012

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OFFICE OF  
ENVIRONMENTAL CLEANUP

Ms. Beth Sheldrake  
U.S. EPA  
1200 Sixth Ave.  
Suite 900  
Seattle, WA 98115

Mr. Bill Adams  
U.S. EPA  
1200 Sixth Ave.  
Suite 900  
Seattle, WA 98115

Ms. Cara Steiner-Riley  
Office of Regional Counsel  
1200 Sixth Ave.  
Suite 900  
Seattle, WA 98115

SUBJECT: Audit of CdA Trust, 2009 through 2011

Dear Beth, Bill, and Cara:

Enclosed for each of you are two financial reports for the Successor Coeur d'Alene Custodial Trust. These two reports comprise the initial audit of the Trust conducted by Peterson Sullivan, a Seattle-based Certified Public Accounting firm. One report covers the period from the inception of the Trust (December 2009) through 2010; the second covers calendar year 2011.

I am also including a prose summary of the audit provided by the primary auditor, Keaton Wersen, in an e-mail format. This summary indicates the auditor's acknowledgement of the Trust's financial management practices.

I would like to call your attention to the final paragraph of Note 2 in the 2009-2010 report. This paragraph discusses the circumstances at the end of 2010, as the Trust was preparing for the anticipated transfer of assets from Wells Fargo to BlackRock. As various short-term Treasury notes came due, the Trust deposited the cash into money

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market funds, rather than buy additional Treasury bonds. This practice resulted in a greater percentage in cash than allowed by the Trust investment restrictions in force at that point. This meant that our transition to BlackRock (seventy days later) was less expensive than it otherwise would have been; but there is no doubt that the Trust was out of compliance with the Trust Agreement at that point.

I am pleased that the initial audit is now complete. From this point forward, we will conduct an annual audit.

Please let me know if you have any questions about the financial reports.

Sincerely,

A handwritten signature in blue ink that reads "Dan Silver". The signature is written in a cursive style, with the first name "Dan" and the last name "Silver" clearly legible.

Dan Silver  
Trustee

Enclosures

From: Keaton Wersen <kwersen@pscpa.com>  
Subject: End of Audit Communication - No response necessary  
Date: September 28, 2012 3:23:53 PM PDT  
To: Dan Silver <danieljsilver@msn.com>

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Dan,

Regarding our audits and reports thereon for both B&L Woodwaste Custodial Trust and Successor Coeur d'Alene Custodial and Work Trust, below is a summary of our end of audit required communications. No response is necessary, but if you have any questions, please let me know.

- Our responsibility is to express an opinion about whether the financial statements are fairly presented, in all material respect.
- We considered internal control of the Trusts. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning internal control.
- The significant accounting policies are described in the financial statements. No new accounting policies were adopted and the application of existing policies was not changed.
- There are no accounting estimates that are particularly sensitive because of their significance to the financial statements, except as disclosed.
- The disclosures in the financial statements are neutral, consistent, and clear.
- No audit adjustments were proposed.
- To our knowledge, management did not consult with other accountants about auditing and accounting matters.
- Our discussions with you occurred in the normal course of our professional relationship.
- We encountered no significant difficulties in dealing with management in performing and completing our audit.
- We have not issued a management letter for either Trust.
- We confirm that as of our audit report dates, we are independent accountants with respect to the Trusts.

Thank you,

**Keaton Wersen CPA | Senior**  
**Peterson Sullivan LLP | Certified Public Accountants**  
601 Union Street - Suite 2300 | Seattle WA 98101